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FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC PRIORITY 9421  
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY  
RUCNCIS/CIS COLLECTIVE PRIORITY  
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY  
RUEHAK/AMEMBASSY ANKARA PRIORITY 2794  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0616  
RUEHKO/AMEMBASSY TOKYO PRIORITY 0492  
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1070  
RUEKJCS/JOINT STAFF WASHDC PRIORITY  
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0569  
RHEFDIA/DIA WASHDC PRIORITY  
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS ASHGABAT 001015

SIPDIS

SENSITIVE  
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STATE FOR SCA/CEN, EUR/ACE, EEB

E.O. 12958: N/A

TAGS: [PREL](#) [EAID](#) [EFIN](#) [IBRD](#) [TX](#)

SUBJECT: TURKMENISTAN: WORLD BANK CAUTIOUSLY LOOKING AT  
RE-ENGAGING

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) The World Bank's Bishkek-based Country Manager for Turkmenistan, Roger Robinson, told the Charge September 24 that he was in Ashgabat to look for ways the World Bank can re-engage with the Government of Turkmenistan. In recent years, the World Bank, bound by its mandate and former President Niyazov's economic policy, has been forced to limit its exposure in Turkmenistan to a \$1.5 million avian influenza project and low-level assistance in issues such as money-laundering. However, the World Bank hopes that President Gurbanguly Berdimuhamedov's government will institute reforms that will allow the bank to expand its activity. The main problem, he and the Charge agreed, was maintaining realistic expectations for how quickly reform could take place.

¶3. (SBU) Robinson said the World Bank wishes to focus on promoting engagement in relatively uncontroversial areas in which the Government of Turkmenistan is most interested in cooperation, such as assistance in funding pension and healthcare reform (Robinson noted that officials in the Social Welfare ministry did not understand the modeling information they were given by the World Bank), banking supervision, and institutional capacity-building. While the World Bank does not want to embarrass the Government of Turkmenistan, and, in fact, will seek initially to avoid engaging in controversial sectors, the bank would have to be objective in pointing out shortcomings in existing practices. For example, generating more open and accurate statistics is a necessary prerequisite for working with the Government of Turkmenistan on refining national accounts on small and medium-scale economic activity, another area of potential assistance in which the government has expressed interest. Robinson asked for U.S. assistance in passing the word to Deputy Chairman of the Cabinet of Ministers/Foreign Minister Rashit Meredov and others that the bank's call for changes was focused on helping Turkmenistan reach international

standards, rather than on embarrassing it.

¶4. (SBU) COMMENT: With practically every aspect of Turkmenistan's economic and financial sectors in major need of reform, there is more work here than any single donor can manage. It is good news that the World Bank is considering re-engagement, but better coordination among donors will be an essential prerequisite to ensure a unified message and to avoid project duplication.

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